

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 750 Section 750.300 Payments Required to be Paid by Electronic Funds Transfer</b>
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**TITLE 86: REVENUE  
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 750  
PAYMENT OF TAXES BY ELECTRONIC FUNDS TRANSFER**

Section 750.300      Payments Required to be Paid by Electronic Funds Transfer

- a) Income tax payments
  - 1) Beginning on October 1, 1993, certain withholding tax payments and estimated income tax payments will be required to be paid by electronic funds transfer. The threshold amounts are set by law, change over time, and are detailed below.
  - 2) *Beginning on October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more under Article 7 of the Act shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1993, a taxpayer who has an average quarterly estimated tax payment obligation of \$450,000 or more under Article 8 of the Act shall make all payments required by rules of the Department by electronic funds transfer. (Section 601.1 of the Illinois Income Tax Act [35 ILCS 5/601.1] ("the IITA"))*
- A) Beginning on October 1, 1994, the threshold for taxpayers with withholding liability under Article 7 of the IITA drops to an average monthly liability of \$100,000, and, beginning on October 1, 1995, the threshold drops to an average monthly liability of \$50,000.
- B) Beginning on October 1, 1994, the threshold for taxpayers with liability for estimated tax payments under Article 8 of the IITA drops to an average quarterly estimated tax payment obligation of \$300,000 and, beginning on October 1, 1995, the threshold drops to an average quarterly estimated tax payment obligation of \$150,000.
- C) Beginning on October 1, 2000, the threshold for taxpayers with withholding liability under Article 7 of the IITA drops to an average annual liability of \$200,000 and the threshold for taxpayers with liability for estimated tax payments under Article 8 of the IITA drops to an average quarterly estimated tax payment obligation of \$50,000.
  - D) *Beginning October 1, 2002, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments of that tax to the Department by electronic funds transfer. The term "annual tax liability" means the greater of the amount of the taxpayer's tax liability under Article 7 of the IITA for the immediately preceding calendar year or the taxpayer's estimated tax payment obligation under Article 8 of the IITA for the immediately preceding calendar year. [20 ILCS 2505/2505-210]*
- 3) The Department will only require payments by electronic funds transfer in those circumstances in which it is cost-effective for the Department to receive payments by electronic funds transfer and where receipt of payments by electronic funds transfer is consistent with the Department's tax processing capabilities.

- 4) Taxpayers over the statutory thresholds will only be required to make certain types of income tax payments by electronic funds transfer.
  - A) Taxpayers with income tax withholding liabilities over the statutory thresholds shall make IL-501 payments by electronic funds transfer. All other withholding payments by those taxpayers shall be made by conventional means.
  - B) Corporate taxpayers with estimated income and replacement tax liabilities over the statutory thresholds shall make IL-1120 ES payments and IL-505B payments by electronic funds transfer.
- C) Individual taxpayers with estimated income tax liabilities over the statutory thresholds shall make IL-1040ES and IL-505I payments by electronic funds transfer.
- D) Any other taxpayers not listed above who incur estimated income tax liabilities over the statutory thresholds will, upon contact by the Department, be required to make subsequent estimated payments by electronic funds transfer as directed by the Department.
  - b) State and local occupation and use tax payments reported on Form ST-1, Sales and Use Tax Return
    - 1) Beginning on October 1, 1993, the Department will require certain State and local occupation and use tax payments to be made by electronic funds transfer. Subsection (b)(3) below sets forth the types of payments that must be made by electronic funds transfer.
      - A) *Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "average monthly tax liability", as used in this subsection (b), shall be the sum of the taxpayer's liabilities under the Retailers' Occupation Tax Act and all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year, divided by 12. (Section 3 of the Retailers' Occupation Tax Act [35 ILCS 120/3] ("the ROT"))*
      - B) Beginning October 1, 1994, the threshold for taxpayers required to make payments by electronic funds transfer drops to those taxpayers with average monthly tax liability of \$100,000.
      - C) Beginning October 1, 1995, the threshold for taxpayers required to make payments by electronic funds transfer drops to those taxpayers with average monthly tax liability of \$50,000.
      - D) *Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under the Retailers' Occupation Tax Act and all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. [35 ILCS 120/3]*
      - E) *Beginning October 1, 2002, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments of that tax to the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liability reported on that taxpayer's Form ST-1, Sales and Use Tax Return [20 ILCS 2505/2505-210].*
    - 2) The Department will only require payments by electronic funds transfer in those circumstances in which it is cost-effective for the Department to receive payments by electronic funds transfer and where receipt of payments by electronic funds transfer is consistent with the Department's tax processing capabilities.

- 3) Taxpayers over the statutory thresholds will only be required to make RR-3 sales tax accelerated quarter-monthly payments, ST-1 return payments, PST-1 return payments and PST-3 return payments by electronic funds transfer. Any other payments that accompany a tax return (for example, ST-1-X return payments, 556 return payments, etc.) may not be paid by electronic funds transfer.

c) Electricity Excise Tax payments

- 1) Beginning October 1, 1999, each delivering supplier or self-assessing purchaser whose average monthly liability under the Electricity Excise Tax Law was \$10,000 or more is required to make all payments by electronic funds transfer. The calculation to determine the average monthly liability is made by taking the sum of the liabilities of the delivering supplier or self-assessing purchaser for the immediately preceding calendar year and dividing by the number 12.
- 2) The Department will calculate the delivering supplier's or self-assessing purchaser's average monthly liability for calendar year 1998, and only for calendar year 1998, by taking the sum of the delivering supplier's or self-assessing purchaser's liabilities for the last 5 months of calendar year 1998 and dividing by the number 12.
- 3) Beginning October 1, 2002, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments of that tax to the Department by electronic funds transfer. The term "annual tax liability" means the sum of the taxpayer's liabilities for the immediately preceding calendar year. [20 ILCS 2505/2505-210].

d) Other tax payments

*Beginning on October 1, 2002, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments of that tax to the Department by electronic funds transfer. Before August 1 of each year, beginning in 2002, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1. [20 ILCS 2505/2505-210]* This applies to all taxes administered by the Department except the Motor Fuel Tax and the Environmental Impact Fee.

Electricity Distribution Tax

Gas Revenue Tax

Invested Capital Taxes

Tobacco Products Tax

Bingo Tax

Charitable Games Tax

Coin Operated Amusement Device Tax

Dry Cleaning Solvent Tax

Pull Tabs & Jar Games Tax

County Motor Fuel Tax

Automobile Rental Occupation and Use Taxes

Metropolitan Pier and Exposition Authority Tax

Telecommunications Excise Tax (however, see subsection (i) for more restrictive requirements effective January 1, 2003)

e) Liquor Revenue Tax Payments

Beginning on January 1, 2003, a taxpayer who has an annual tax liability of \$200,000 or more in the immediately preceding calendar year shall make all payments of that tax to the Department by electronic funds transfer.

f) Cigarette and Cigarette Use Tax Payments

- 1) Beginning on January 1, 2003 each distributor who has an annual tax liability of \$200,000 in the immediately preceding calendar year must pay for its cigarette revenue tax stamps by means of electronic funds transfer.
  - 2) *Beginning on January 1, 2003 each distributor who pays for cigarette revenue tax stamps with a postdated draft shall pay such draft by means of electronic funds transfer. [35 ILCS 135/3]*
  - 3) Distributors who purchase cigarette revenue tax stamps and are required to pay for these stamps using EFT must pay for their purchases using the ACH debit method. The ACH credit method is not available to taxpayers who are purchasing cigarette tax stamps using EFT.
- g) Hotel Operators' Occupation Tax Payments  
Beginning on January 1, 2003, a taxpayer who has an annual tax liability of \$200,000 or more in the immediately preceding calendar year of Hotel Operators' Occupation Tax shall make all payments of that tax to the Department by electronic funds transfer.
- h) Soft Drink Tax Payments  
Beginning on January 1, 2003, a taxpayer who has an annual tax liability of \$200,000 or more in the immediately preceding calendar year of taxes imposed under 8-11-6b of the Illinois Municipal Code [65 ILCS 5/8-11-6b] shall make all payments of that tax to the Department by electronic funds transfer.
- i) Telecommunications Excise Tax and Simplified Municipal Telecommunications Tax Payments  
*Beginning on January 1, 2003, a taxpayer who has an average monthly tax liability of the taxes imposed under the Telecommunications Excise Tax Act and the Simplified Municipal Telecommunications Tax Act of \$1,000 or more for the immediately preceding calendar year shall make all payments of those taxes to the Department by electronic funds transfer [35 ILCS 630/6].*

(Source: Amended at 27 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**PART 750**  
**PAYMENT OF TAXES BY ELECTRONIC FUNDS TRANSFER**

Section

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AUTHORITY: Implementing the Illinois Income Tax Act [35 ILCS 5], Use Tax Act [35 ILCS 105], Service Use Tax Act [35 ILCS 110], Service Occupation Tax Act [35 ILCS 115], Retailers' Occupation Tax Act [35 ILCS 120] and Electricity Excise Tax Law [35 ILCS 640] and authorized by Section 2505-210 of the Civil Administrative Code [20 ILCS 2505/2505-210].

SOURCE: Adopted at 17 Ill. Reg. 18132, effective October 4, 1993; amended at 18 Ill. Reg. 15612, effective October 11, 1994; amended at 20 Ill. Reg. 9111, effective July 2, 1996; amended at 22 Ill. Reg. 10904, effective June 8, 1998; amended at 23 Ill. Reg. 5847, effective May 3, 1999; amended at 24 Ill. Reg. 3867, effective February 28, 2000; amended at 25 Ill. Reg. 185, effective December 26, 2000; amended at 26 Ill. Reg. 1727, effective January 24, 2002; amended at 27 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

